



West IPA Workshop Notes



COMMONWEALTH OFFICE
OF BROADBAND OUTREACH
AND DEVELOPMENT
Promoting a 21st century economy

Project: OBOD Broadband Planning Project

Subject: IPA Workshop West Region

Workshop Date: October 22, 2012

Time: 10:00 A.M. EDT

Place: Purchase ADD
Mayfield KY

OBOD Project Team:

OBOD

Brian Kiser
Dana Case

KCADD

Abby Caldwell

Baker

Bob Lois

Bill Bates

Wendall McCarty

SNG

Derek Murphy

Project Area Working Group: Jennifer Beck-Walker, Purchase ADD (Chair)

Abby Caldwell, KCADD

Brad Davis, Purchase ADD

Jiten Shah, Green River ADD

Sheryl Chino, Green River ADD

Chris Sutton, Pennyriple ADD

Jason Vincent, Pennyriple ADD

Attendees: See "West Region IPA Sign-In Sheet.pdf"

Presentation Slides: See "KY OBOD IPA West Region Workshop Presentation 20121022.pdf"

Acronyms: ADD = Kentucky Area Development District

Baker = Michael Baker Jr., Inc.

KCADD = Kentucky Council of Area Development Districts

OBOD = Kentucky Office of Broadband Outreach and Development

SNG = Strategic Networks Group

SOW = Scope of Work

FN = Fast Net

QN = QNet

The workshop convened at 10 a.m. Brian Kiser introduced the project team members and working group members before asking attendees to introduce themselves around the room (see sign-in sheet for details). Kiser then provided a brief history of the inception of the Commonwealth Office of Broadband Outreach & Development, including its mission statement, goals, and current involvement in presenting to legislative bodies.

Kiser explained that the purpose of the plans is to identify and engage stakeholders, identify the needs for the region, and engage providers. At this juncture, he wanted to put the power in the hands of the ADDs and regional stakeholders identified by them to allow them to determine what goals and steps are needed and feasible for the region.

Jennifer Beck-Walker then presented the West Region Working Group's Scope of Work (SOW) document. Beck-Walker explained that when the OBOD asked the ADDs to write the SOW, they were asked to choose a project area based upon an area where there was a measurable broadband need that could be addressed with the involvement of committed stakeholders. The four Mississippi River counties of Carlisle, Hickman, Fulton, and Ballard were selected because of their apparent lack of access to affordable broadband for households. As the

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working group continued to investigate the situation, they discovered an alarming lack of public access to internet services for those citizens in the area that cannot get broadband in their home or cannot afford to subscribe to it. In the Regional Profile provided by OBOD's subcontractors, Baker and SNG, the Working Group learned that K-12 schools in the area are already adopting advanced Internet processes at a level consistent with their counterparts across the state. As the primary industry already adopting advanced processes and as a critical community anchor institution in the area, the Working Group determined that any efforts addressing broadband access or use would necessarily involve the school systems. Beck-Walker reported that at this juncture, the stakeholders present in the room were being asked for input and commitment to assist in the goals going forward.

Bill Bates then provided some information relating to the project goals, including regional availability, changes in provider participation over the past two years, and data on users, usage, and uses.

Derek Murphy then presented information relating to the regional survey data from March 2012. Murphy then informed the group that the goals for the day's workshop would be creating a vision statement, goals, strategies for achieving those goals, action items, and other strategies for implementing the action plan.

Various fixed wireless providers present noted that if local areas wanted to help them in assessing the cost and possibilities of serving areas, a list of potential vertical assets would be very helpful, including foliage estimates. A representative from Fast Net Wireless noted that they usually hesitate to consider applying for grant funding because of the red tape involved. Q Wireless noted that in working with Green River ADD, they were able to take advantage of grant money without the red tape and found that partnership to work very well for both the ADD and the provider.

Fast Net representatives also noted that they have contracted and delivered several county hot spots that were either provided by the city or the county in other areas. They reported having good experiences in working with local officials in doing this work.

The group broke for lunch and reconvened at 1 p.m., splitting into two breakout groups—one to address availability needs (provider-centered partnership for potential build-out) and one to address public access points to provide broadband for citizens who either cannot currently get broadband in their homes or cannot afford to subscribe to broadband.

The following discussions were a result of two breakout groups to address public access gaps and availability gaps.

KCADD (Abby Caldwell):

Public Access Group Breakout Notes

A representative from Ballard Telephone noted that they only have 6-8 households that can't be served, but rather there are many who cannot afford to subscribe.

The group identified that they would be interested in knowing what the bandwidth at schools is. Working Group members noted that the OBOD has been trying to obtain that information from the Kentucky Department of Education for over two years now without success. The group determined that access may or may not be feasible from the school locations due to staffing and regular school hours and due to security concerns for the children.

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A representative from Morehead State University noted that he is interested in helping young adults and others gain reliable access, even if at public locations, so they can be successful in dual credit coursework (high school) and in online coursework. Education is increasingly transitioning to valuable tools using the Internet and it provides a great opportunity for education without having to be on-site at the university.

Initial objectives for the area were identified as: 1. Increasing adoption among households through community-driven initiatives; 2. Provide education for entrepreneurs and support staff on how broadband can be better leveraged for profitability; and 3. Increase public access points to address availability and affordability gaps in the communities.

Availability Group Breakout Notes

Jason Vincent from Pennyrile ADD noted that in Caldwell and Lyon Counties, they were able to get DRA funding for the initial costs of build-out, allowing the providers to rent the equipment from the county as part of a franchise agreement. The group was interested in this idea and wanted to consider pursuing it as a viable option for the area.

Initial objectives for the area were identified as: 1. Assist local leadership in determining what broadband needs exist and should be addressed; 2. ADDs to work with providers and local leadership on compiling an inventory of vertical assets and potential costs to address the identified needs; 3. Seek out funding sources for assisting counties/cities in partnerships with providers to address the existing needs.

Baker (Bob Lois) Notes:

Opening Session

1. Jennifer noted priorities:
 - Educational
 - Minimal public access sites
2. Question – How do we define BB? :
 - NTIA – 768 mbps
 - Brian – 1.5 – 2 mbps
 - FCC – 3 mbps
 - Provided maps – 1.5 mbps
3. Fast Net (**FN**) talked about SE Purchase ADD Fiber build out.
4. Derek asked group to note any gaps – then we need to fill gaps.
5. Clinton County Press Person (running for council) noted bad service.
Lack of State Economic Development emphasis – Resource with money?
Bill noted the region focus on a smaller pilot Area due to financial constraints.
A starting point - Hope to transition into a sustainable program.
6. Brian has collaborated with State Education folks, legislative groups, Rural Issues, Governor's Office.
7. Someone brought up the lost manufacturing jobs – trying to retrain.
How can we work with State to get things going?

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Bill noted other regions – Using others plans as Best Practices for other regions.

8. Question concerning cost factors.

Brian: No money for build out.

Abby: Look at Agencies the ADDs typically go to for finding of other initiatives.

Identifying potentials funding is part of the planning effort.

Bill/Derek – Costs depend on the galas and plans to meet those objectives.

Local Funding? Regional? State?

9. Chris: Problem is wireline build out is not cost effective for providers.

Go with wireless? Less expensive build out.

10. Dave Powell (WISP): Doing exactly what Chris was talking about.

Providing Wireless to unserved rural areas - Stay away from competition areas.

Really interest in entertainment – Can't keep up.

Too much red tape for grants – not worth it.

11. QN worked closely with GRADD – ADDs grant apps work – hasn't been too bad.

Have been able to so some good things working with ADDs (GRADD).

NTIA cost per point = %+\$5K – QN cost per point = \$500.

Worked with GRADD to get it done cheaper.

12. Vertical infrastructure is important to Providers.

Derek: Need Work with local WISP solutions.

Come to table with description of vertical access availability, needs, permitting requirements, etc.

Also have provided hot spot points.

13. Action Plan: Develop list of things that can help providers define process to get it done.

14. Make sure everyone knows the difference between fixed and mobile wireless.

15. Schools and libraries should become access points for students at nights and for general population.

16. In Ballard County – all schools are in proximity to each other.

Other county schools are distributed across county.

17. Talking more about access to internet use locations rather than education options.

18. Average Costs about \$50-70/month. Not totaled per municipality.

19. Emphasis on partnering with providers to develop availability solution.

20. FN (Mike Calvin) asked Baker to provide bas map data in ESRI format (shapefile).

Counties = Franklin, Simpson, Todd, Warring, Logan, Christians and Butler.

Education Breakout Session (Derek Lead)

21. Murray State noted that 2% of households can't be reached for service.

22. Looking at city school being taken over by UK

23. Schools are more closed than collaborative

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24. Problems with affording adequate BB.
25. Focus on providing access and increased utilization to the 4 county area.
26. Objectives:
 - Higher level of Adoption/Utilization – Access Centers
 - Education for entrepreneurs and support staff (maybe a Best Practice Module)
 - Public Access (back door for use)
 - Collaborative Leadership
 - Get foundations in place after initial planning/organization phase.
 - Determine who/how this will be sustained – Driver.
 - Define work group to start working thru implementation planning.
 - Put together plan for setting/maintaining centers.
27. Summary:
 - Get consolidated info back to Work Group.
 - Conduct a web meeting.
 - Expand Work Group to include some stakeholders
 - Distribute out goals/responsibilities.

Baker (Wendall McCarty) Notes:

Opening Session

Attendees head count: 35

1. Providers:
 - Q-wireless
 - WK&T
 - Ballard Telephone
 - FastNet
2. FastNet can provide us *.kmz raster. They are concerned about confidentiality of their data when submitting it. I assured them it will remain confidential and we can give them an NDA.
3. Question/comment from Clinton (Hickman Co.) rep:
 - a. Not to just look at education
 - b. Industrial, waterborne: 4 west counties being great location for ports
 - c. He does not see real stakeholders here, needed from state gov't, counties, etc.
 - d. Bill & Brian responded
 - i. How can they reach out to Frankfort?
4. Question:
 - a. What is dollar, \$, amount of this project?
 - b. No specific answer, but money available thru various programs.
 - c. What are options, technologies, for access to Broadband?
 - d. Chris Sutton mentioned they want to look at fixed wireless because of less capital needed.

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5. Mr. Powell at FastNet comments:
 - a. Providing BB service to rural areas that don't have it.
 - b. Going after grants with too much red tape is too time consuming they don't go after them.
6. Joey Randolph comments:
 - a. Going after RUS and other grants does have a lot of red tape.
 - b. Going thru county level can be better and cheaper.
7. Mr. Powell comments:
 - a. Mentioned helping fixed wireless by helping them with vertical infrastructure, who has towers, water towers, barns, silos, etc. available to install antennas.
 - b. They provide Wi-Fi hotspots.
8. Ballard County Schools, Julie, comments:
 - a. Access at district is very good, but hasn't branched out to public
 - b. Issue is infrastructure distributed to public
 - c. Q-Wireless talked about providing free hotspots, if they can partner with counties, etc., for other services

Providers Breakout Session (Bill Lead)

Attendance head count: 16

- PADD: 5-6 attending
 - FastNet: 4 attending
 - Q-Wireless: 2 attending
 - ConnectGradd: 1 attending
9. How can group better work with Providers?
 10. Joey talked about working with County Judges. Inter-local agreement to develop ConnectGRADD.
 11. Loan money thru KIA, and severance money from counties and DRA.
 12. FastNet has agreements with water company for using water tanks.
 - a. They don't sign contracts with customers, they are demand driven.
 - b. They don't involve counties or judges, they are private.
 13. ConnectGRADD is public/private partnership.
 14. Vertical assets the county has and can grant access to can make this happen.
 15. Providers need to see return on investment.
 16. These days having both public and private entities provide funding.
 17. They have point to point connections to businesses.
 18. P3 can play role to provide BB cheaper to households. Public funding is needed.
 19. It's easier to get money to build something, than to subsidize for public usage.
 20. Vertical assets are critical.
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21. Counties need to decide what they want, then put out there for public sector to respond to the need.
22. Lyon County got money to install equipment, as a franchise model, funded by DRA.
23. Each situation will be different and will require different business models; P3, private, franchise, or mixture of these.
24. Three things that Provider need to consider, and stakeholders need to keep in mind while planning:
 - a. Availability of vertical infrastructure
 - b. Geography
 - c. Number of people needing BB
25. Co-location on towers does not work unless subsidized, because of high cost of leasing tower.
26. There is also some interference from cell antennas for co-location on cell towers.
27. FastNet mentioned fixed wireless providers stay away from AM antennas.
28. Each field situation can be different and need something different.
29. Workgroup needs to find non-bidding consultant to help with bidders, RFP's, etc. to find out what is correct/realistic to expect from provider community and what is not.

Baker (Bill Bates) Infrastructure/Providers Breakout Notes:

Participation in the breakout session was for Providers, ADD business contacts and Stakeholder/citizens. Those who participated had interest in broadband access and availability for the focus area, and gaining a better understanding of the business of broadband and how the Provider community operates their business and makes decisions.

Attributes for consideration when Providers are considering service expansion:

- “Vertical Assets” – Existing towers or buildings where wireless or fixed-wireless equipment may be deployed to reach new customers,
- Including private-sector tower assets in the region -- *Crown Castle, *American Tower
- Broadband subscriber **density** in area -- *Institutional, *CAI's, *Residential, *Business, *Gov.
- Geography / Topology
- *Middle-mile Info, *Head-end/Hub Location Points
- Providers presently operating in the area
- Technology types in the area
- Understanding the “partnership potential” in an area
- Land ownership, parcel boundary, ROW access -- location data/information
- Public / Private Structures
- Competitive Environment
- Costs of customer acquisition – equipment, maintenance, installation
- Contracts / No-Contracts
- Government rules/requirements/reg's/constraints –

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- Muni/County/Regional: Established department(s)? Points-of-Contact?
- Business “guidelines” or processes: documented? in place?
- RFI / RFP: Value-based? Cost-based? Criteria defined? Is the decision/evaluation process defined (People/Committee/Processes)?
- Group sees value in more/better/detailed/defined information as a means of attracting Providers or developing different business strategies for more broadband access and availability
- Define and develop a “kit” of information with resources specific to broadband efforts, with defined processes and contacts to make it easy for Providers to understand how to do business
- Develop a plan for maintaining/updating info and expanding info to enhance results overtime,
- Complementing efforts will contribute to these regional efforts –
 - Demand Aggregation
 - CAI identification & inventory
 - Wi-Fi Hot-Spot strategies
- Connected with the above, define people/process owners to build program capacity for sustaining ongoing efforts

Business Models For Broadband:

- GRADD Model: Public/Private Partnership -- *Connect GRADD Inc.*
 - GRADD owns infrastructure assets
 - Business Partner operates/maintains network (Q-Wireless)
 - Board of Directors oversight (7 County Judges)
 - Leverage Steering Committee
 - State funding
 - Local investment funding
 - Monthly subscriber fees
- “RIFR” Contract for business partner
- Private-Sector / “Demand-Motivated” Model – *Work with Providers*
 - Identify area demand-potential of Broadband
 - Develop and provide value-added information “tools”
 - Encourage/engage Providers in an “information-gathering” or formal RFI process, to get input more expert input on technology and network
 - Define an open and fair proposal process – research/identify/include best-practice ideas from other regions; other States.
- Franchise Model – *Similar to technology franchises elsewhere*
 - Defined territory
 - Longer-term contract to ensure reasonable ROI for network investment
- “Hybrid” Model – *In a changing economy still in recovery, are there variations to above models worth considering*
 - What would be the “mix” of public-private participation?
 - Funding – *Private capital? *Public capital? *Combination?
 - Other incentives/offsets – *Installation subsidy? *Equipment subsidy?

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- Group interest in exploring the Broadband models discussed during the session – more thorough information is needed to gain an understanding of each model and the elements involved – to become part of an action plan
- Research/identify detailed information on successful Broadband business models; for use in un-served or underserved areas
- Funding is a critical component to the Western Region Plan, regardless of the model involved. Work to find and qualify funding sources to enable a sustainable effort over time